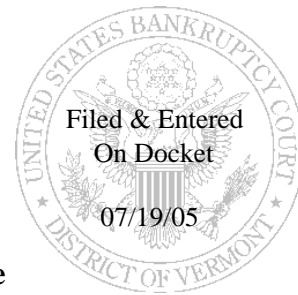


UNITED STATES BANKRUPTCY COURT
DISTRICT OF VERMONT



In re:
FIBERMARK, INC.,
FIBERMARK NORTH AMERICA, INC., and
FIBERMARK INTERNATIONAL HOLDINGS, INC.,
Debtors.

Chapter 11 Case
04-10463
Jointly Administered

ORDER
GRANTING THE THIRD INTERIM FEE APPLICATION OF KPMG, LLP
AND GRANTING, IN PART, THE REIMBURSEMENT OF EXPENSES

WHEREAS, on June 21, 2005, KPMG, LLP (“KPMG”), as auditors and providers of certain accounting, tax, and employee benefit services to the Debtors, filed a Third Interim Fee Application for Compensation and Reimbursement of Expenses for the period from January 1, 2005 through April 30, 2005 (doc. # 1552) (“KPMG’s Third Application”); and

WHEREAS no objection has been filed and the United States Trustee has consented to KPMG’s Third Application (see docket entry dated July 1, 2005); and

WHEREAS KPMG’s Third Application seeks compensation in the amount of \$516,514.00 for professional services rendered from January 1, 2005 through April 30, 2005 (the “Application Period”) and \$9,598.00 for reimbursement of expenses incurred during the Application Period;

THE COURT FINDS that the professionals’ fees earned during the Application Period to be properly compensable. Specifically, the Court finds the professional services rendered by KPMG were reasonable, necessary and of benefit to the estate, pursuant to 11 U.S.C. § 330(a). See also In re JLM, Inc., 210 B.R. 19, 24 (2d Cir. BAP 1997). Accordingly, the professionals’ fees sought in connection with services rendered by KPMG during the Application Period are approved and allowed in full.

THE COURT FURTHER FINDS that although the expenses are generally well itemized and clearly articulated, KPMG has failed to provide sufficient detail to demonstrate that all of the expenses for which it seeks reimbursement are actual, necessary and justified. See 11 U.S.C. § 330(a); S.T.N. Enterprises, 70 B.R. 823, 836 (Bankr. Vt. 1987); In re Fibermark, No. 04-10463, *2 (Bankr. Vt. filed Mar. 17, 2005)(doc. # 1323); In re Fibermark, No. 04-10463, *4 (Bankr. Vt. filed Nov. 29, 2004)(doc. # 783); In re Fibermark, No. 04-10463, *10 (Bankr. Vt. filed Oct. 22, 2004)(doc. # 698); In re Fibermark, No. 04-10463, *2-3(Bankr. Vt. filed Sept. 30, 2004)(doc. # 645). In particular, the expense for cell phone charges (\$113.00) lacks sufficient information for the Court to distinguish it from overhead expenses.

As articulated in S.T.N. Enterprises, those expenses which are incurred day-to-day by a professional regardless of whom it represents are considered “overhead expenses” and are categorically not reimbursable from the estate. 70 B.R. at 844. However, if the applicant provides information for such charges which demonstrate and justify that they are of benefit to the estate, the expenses may be reimbursed. Id. KPMG has offered no such information. Accordingly, this cell phone expense is not properly reimbursed by the estate. Additionally, the *per diem* dinner rates set forth in KPMG’s Third Application, by their very nature, fail to support a finding that the expenses are actual, necessary or justified.¹ Consequently, the Court denies the request for reimbursement of the *per diem* meal expenses in the amount of \$394.00 and the cell phone charges in the amount of \$113.00.


THE COURT FURTHER FINDS that the remaining \$9,091.00 of expenses for which KPMG seeks reimbursement during the Application Period is reasonable and appropriate and, accordingly, they are approved and allowed.

THEREFORE, IT IS HEREBY ORDERED that

1. The Third Interim Application of KPMG, LLP is allowed in part and disallowed in part.
2. The following fees and expenses requested in KPMG’s Third Application are approved and allowed:
 - (A) \$516,514.00 for professional services rendered; and
 - (B) \$ 9,091.00 for reimbursement of expenses.
3. The Debtors are hereby authorized and directed to pay to KPMG, LLP (to the extent not previously paid) the sum of:
 - (A) \$516,514.00, representing professionals’ fees earned by KPMG, LLP during the Application Period; and
 - (B) \$9,091.00, representing reimbursement for the approved expenses incurred by KPMG, LLP during the Application Period.

SO ORDERED.

July 19, 2005
Rutland, Vermont



Colleen A. Brown
United States Bankruptcy Judge

¹ While the Court recognizes that KPMG does not customarily prepare fee applications in the ordinary course of its business, other portions of the KPMG Third Application provides detail as to the actual expenses incurred and even identified where the expenses were incurred. Clearly, KPMG is capable of providing a detailed accounting on its actual expenses incurred.